Manitoba Lotteries Corporation

Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.

For Further Information Contact:

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MANITOBA LOTTERIES CORPORATION

SECOND QUARTER REPORT

FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2008

MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 6 months ended September 30, 2008 was $162.9 million, an increase of $11.7 million from the same period last year. This change is due to increases of $6.1 million in Video Lotto, $3.8 million in the Casinos, and $1.8 million in Lottery.

Revenue and other income, net of cost of sales, increased $22.5 million from the same period last year. Operating expenses increased $7.8 million over the same period last year. Amortization, interest and GST expenses increased $3.8 million over the same period last year, and allocations and payments decreased by $0.8 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
6 Months Ended September 30th

	2008				2007
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	$182,196	$106,874	$99,184	$388,254	$360,563
Cost of sales	56,130	4,284	69,212	129,626	124,399
	126,066	**102,590**	**29,972**	**258,628**	**236,164**
Expenses					
Operating	5,221	54,526	2,457	62,204	54,406
Amortization	11,661	6,327	-	17,988	13,637
Interest	1,881	3,578	120	5,579	5,963
Goods and Services Tax	2,481	250	27	2,758	2,918
	21,244	**64,681**	**2,604**	**88,529**	**76,924**
Income before Allocations and Payments	**104,822**	**37,909**	**27,368**	**170,099**	**159,240**
Allocations and Payments	**1,563**	**3,011**	**2,597**	**7,171**	**7,987**
Net Income and Comprehensive Income	**$103,259**	**$34,898**	**$24,771**	**$162,928**	**$151,253**

MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, unaudited)
September 30th

	2008	2007
ASSETS		
Current Assets		
Cash	$ 27,424	$ 30,353
Accounts receivable	14,291	11,645
Prepaid expenses	4,039	3,198
Inventories	2,750	2,445
	48,504	47,641
Property and Equipment, and Other Assets	171,684	179,138
	$220,188	$226,779
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	$22,511	$ 18,779
Payable to the Province of Manitoba	12,328	14,253
Current portion of long term debt	13,994	14,004
	48,833	47,036
Long Term Debt	165,977	174,426
Provision for Employee Pension Benefits	378	317
Retained Earnings	5,000	5,000
	$220,188	$226,779